

R E M A R K S

It is noted with great appreciation that the Examiner has found allowable subject matter in Claims 3-4 and would allow these claims if rewritten in independent form.

Herein, Claim 3 has been rewritten in independent for to include the subject matter of the base Claim 1. In view of this, it is respectfully submitted that Claims 3-4 is now in condition for allowance.

Claims 1-2 stand rejected under 35 USC 102 as being anticipated by Okada et al.

In order to clarify the presently claimed invention, Claim 1 has been amended to recite "defining a reserve of bits (ROBC) indicating a number of bits used for coding each frame is either greater or less than a predetermined number". Support for this amendment can be found on pages 2-3 of the present application.

In column 23, lines 34-45, Okada et al. discloses:

"(I) When the ratios of the quantization step sizes $Q \cdot I$, $Q \cdot P$, and $Q \cdot B$ of the I, P1, P2 and B picture are set according to the following equation (3), high coding efficiency is ensured, and no deterioration in picture quality occurs:

$$Q \cdot I : Q \cdot P : Q \cdot B = 1 : \alpha Q_0 : \alpha Q \quad (3)$$

where αQ_0 and αQ are constants. The ratio of the amounts of bits allocated to the respective pictures is updated such that the ratio of the quantization step sizes coincide with the ratio defined by equation (3).

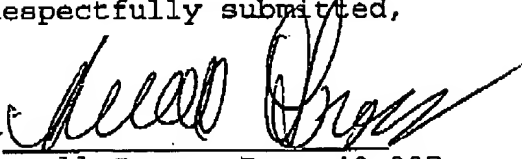
In view of the above disclosure, it is evident that Okada et al. does disclose defining a reserve of bits (ROBC) indicating a number of bits used for coding each frame is either greater or less than a predetermined number", as required by the claim. Therefore, it is respectfully submitted that this feature is not anticipated by Okada et al.

Further, it is also respectfully submitted that the subject matter of new claims 6-7 is also not anticipated by Okada et al.

In view of the above-described distinctions, it is respectfully submitted that the invention of Claim 1-2 and 6-7 is not anticipated by Okada et al. Therefore, reconsideration of the present rejection is respectfully requested.

The Commissioner is hereby authorized to credit any overpayment or charge any fee (except the issue fee) to Account No. 14-1270.

Respectfully submitted,

By 
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